

NEW APPLICATION  
ORIGINAL



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**BEFORE THE ARIZONA UTILITIES BOARD**

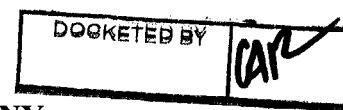
In the Matter of the Applications of )  
VCI Company for a Certificate )  
Of Public Convenience and )  
Necessity as a Competitive Local )  
Exchange Carrier in Arizona )

Case No. T-04278A-04-0705

Arizona Corporation Commission

**DOCKETED**

SEP 28 2004



**APPLICATION OF VCI COMPANY**

**VCI Company** (hereinafter "VCI" or "Applicant") a corporation, files this application and respectfully requests that the Arizona Corporation Commission (hereinafter "ACC") issue an order that:

- (1) Grants Applicant a Certificate of Public Convenience and Necessity to  
Provide Competitive Local Exchange Service within and throughout the State  
Of Arizona.
- (2) Waives certain Board rules;
- (3) Approves Applicant's Exchange and Service Area maps.

This Application submitted by VCI Company Demonstrates:

- (a) Applicant is an Corporation organized and existing under  
the laws of the State of Washington.

AZ CORP COMMISSION  
DOCUMENT CONTROL

2004 SEP 28 A 9:53

RECEIVED

- (b) The full name, address, and telephone number of the Applicant is:

VCI Company  
3875 Steilacoom Blvd SW Suite A  
Lakewood, Washington 98499  
Telephone: 800-923-8375  
Facsimile: 253-475-6328  
Email: [vilaire@comcast.net](mailto:vilaire@comcast.net)

- (c) Questions concerning this application should be directed to Stan Efferding Applicant's Secretary/Treasurer, at the following address and telephone number:

Stan Efferding  
Secretary/Treasurer  
VCI Company  
3875 Steilacoom Blvd SW Suite A  
Lakewood, WA 98499  
Telephone: (206) 419-5948  
Facsimile: (727) 738-5554  
Email: [vilaire@comcast.net](mailto:vilaire@comcast.net)

- (d) The name and address of the Applicant's registered agent in Arizona is:

National Registered Agents, Inc.  
1850 N Central Avenue  
Suite 1160  
Phoenix, AZ 85004

- (e) A list of Applicant's executive officers and board of directors is:

Stanley Johnson-President  
3875 Steilacoom Blvd SW Suite A  
Lakewood WA 98499  
Telephone: 253-973-2476  
Fax: 253-475-6328  
Email: [stanj@vcicompany.com](mailto:stanj@vcicompany.com)

Stan Efferding-Secretary/Treasurer  
3875 Steilacoom Blvd Southwest Suite A  
Lakewood WA 98499  
Telephone: 206-419-5948  
Fax: 253-475-6328  
Email: [vilaire@comcast.net](mailto:vilaire@comcast.net)

- (f) VCI is a certified CLEC and providing Telecommunication services in the state of Washington, Oregon, Wyoming and approved in Montana and Idaho and pending application in California. A list of each states Public Utilities Commission (PUC) and contact information is:

Jing Roth  
Washington UTC  
Po Box 47250  
Olympia, WA 98504  
Telephone: 360-664-1160  
Email: [jroth@wutc.wa.gov](mailto:jroth@wutc.wa.gov)

Lois Meerdink  
Oregon PUC  
550 Capitol St NE #215  
Po Box 2148  
Salem OR 97308  
Telephone: 503-378-8959  
Email: [Lois.Meerdink@state.Or.US](mailto:Lois.Meerdink@state.Or.US)

Kathleen A. Lewis  
Wyoming PSC  
Hansen Building 2515 Warren Ave  
Suite 300  
Cheyenne WY 82002  
Telephone: 307-777-7427  
Fax: 307-777-5700

State Of Montana  
Public Service Commission  
1701 Prospect Ave  
Po Box 202601  
Helena, MT 59620  
Telephone: 406-444-6199  
Fax: 406-444-7618

Joe Cusick  
Idaho PUC  
Po Box 83720  
Boise ID 83720  
Telephone: 208-334-0300  
Fax: 208-334-3762

- (g) Applicant seeks authority to provide both facilities-based and resold local Exchange service to and from all points in the State of Arizona. Applicant Requests Authority to provide the full range of local exchange services to Permit flexibility in its service offerings. VCI service offerings will be Available on a full-time basis, 24 hours a day, seven days a week. Applicant will market to credit challenged residential customers. Applicant's local exchange services may include, but will not be limited to The following: (1) basic residential local exchange services (flat rate service, operator access, etc.); (2) residential customer and class features (call waiting, caller ID, call forwarding, etc.) and (3) residential ancillary Services (911, directory assistance, etc.).
- (h) Inquiries, general questions, or complaints may be directed informally to The Applicant by telephone, or in writing at VCI's office Po Box 98907 Lakewood WA 98499. The Applicant's Customer care Department can be reached at (800) 923-8375. Complaints concerning the Charges, practices, facilities, or services of the Applicant will be Investigated promptly and thoroughly.
- (i) Attached hereto as Attachment B is the Applicant's proposed Local Exchange Tariff for the State of Arizona.
- (j) Attached also is copies of Applicant's Legal Notice and signed Affidavit of Publication.
- (k) VCI is financially qualified and will have all debts guaranteed through

Its owners. Attached hereto as Attachment D is a copy of the Applicant's un-audited Balance Sheet. This Exhibit is offered to demonstrate Applicant's financial ability to operate as a local service provider in the State of Arizona. Applicant is a Corporation As such, this information is Only released to those with a need to know. Disclosure of this Information could be competitively damaging and therefore, would not be In the public interest.

- (l) VCI has no immediate plans for constructing facilities in the State of Arizona. However, Applicant does intend to provide facilities-based Services utilizing the unbundled network elements platform ("UNE-P") of The incumbent local exchange carriers. Therefore VCI seeks authority to provide both facilities based and resold services throughout the State of Arizona so that it may lease facilities (including UNE's) in connection With its provision of service in Arizona and so that it may expand its Operations as market conditions warrant and as such areas become open to Competition.
  
- (m) Applicant requests that the Board waive R14-2-510.G as it relates to The regulation of Applicant. This rule requires Applicant to keep its Books According to the uniform system of accounts. VCI employs an Accounting system in accordance with Generally Accepted Accounting Principals (GAAP). VCI notes that the Board has previously found

Records kept in accordance with GAAP to be acceptable for a competitive  
Local exchange provider.

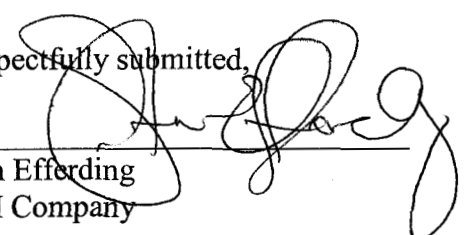
- (n) Applicant will comply with all applicable Board rules except those  
Expressly waived by the Board pursuant to a request filed by Applicant.
- (o) VCI intends to provide telecommunications service to subscribers to  
And from all points within the State of Arizona and therefore, seeks  
Authorization to provide local exchange services throughout the State of  
Arizona. VCI initially plans to provide local exchange service to  
Customers in the exchange areas of Qwest and currently does not plan to  
Provide local exchange service in Areas of Arizona that are served by  
Small or rural local exchange carriers (as defined in the  
Telecommunications Act of 1996). As such, Applicant respectfully  
Requests approval to concur with those exchange areas and service areas  
Contained in tariffs filed with the Board by Qwest.
- (p) Applicant has sufficient managerial and technical experience to provide  
The proposed services. Biographical information for Applicant's key  
Management is attached as Attachment E.
- (q) Grant of this Application will promote the public interest by increasing  
Competition in the provision of local exchange telecommunications  
Services in the State of Arizona. The entry of VCI into the Arizona local  
Exchange market will promote greater diversity and innovation in service  
offerings, and will increase incentives for lower prices and improve  
customer service among other carriers. Grant of VCI application,

therefore, will serve the public interest of the State of Arizona.

WHEREFORE, the Applicant respectfully requests that the Arizona  
Utilities Board grant Applicant a Certificate of Public Convenience and  
Necessity to provide Competitive Local Exchange Service within and  
Throughout the State of Arizona; waive Certain Board Rules as applied to  
Applicant; and approve Applicant's Concurrence in Qwest's Exchange  
And Service Area maps.

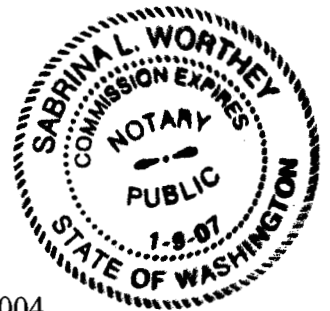
Dated this 8<sup>TH</sup> day of SEPTEMBER, 2004.

Respectfully submitted,

  
\_\_\_\_\_  
Stan Effording  
VCI Company

Subscribed and sworn to before me, a Notary Public/

Sabrina L. Worthey, Notary Public  
(Title of person authorized to administer oaths)



in the State and County above named, this 8th day of September 2004.

Sabrina L. Worthey  
(Signature of person authorized to administer oath)

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to:

For Docket Control Only:  
(Please Stamp Here)

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending  
in Arizona as an Interexchange reseller, AOS provider,  
or as the provider of other telecommunication services.

Type of Service: NEW APPLICATION

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_ Date Docketed: \_\_\_\_\_

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_ Date Docketed: \_\_\_\_\_

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- ☐ Resold Long Distance Telecommunications Services (Answer Sections A, B).
- ☒ Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- ☐ Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- ☐ Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- ☐ Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- ☐ Other \_\_\_\_\_ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

VEI COMPANY  
3875 Steilacoom Blvd SW  
Suite A  
Lakewood WA 98499  
(\*) 800-923-8375  
(F) 253-475-6328  
(email) vilaine@comcast.net



(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

STAN EFFERDING  
SECRETARY / TREASURER  
3875 Steilacoom Blvd SW  
Suite A  
Lakewood WA 98499

(t) 206-419-5948  
(f) 253-475-6328  
email: vilaine@comcast.net

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

STACY KLINZMAN  
MILLER ISAR INC.  
(t) 253-851-6700

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

STAN EFFERDING  
SECRETARY / TREASURER  
3875 Steilacoom Blvd SW  
Suite A  
Lakewood WA 98499

(t) 206-419-5948  
(f) 253-475-6328  
email: vilaine@comcast.net

(A-7) What type of legal entity is the Applicant?

- ☐ Sole proprietorship
- ☐ Partnership: \_\_\_\_ Limited, \_\_\_\_ General, \_\_\_\_ Arizona, \_\_\_\_ Foreign
- ☐ Limited Liability Company: \_\_\_\_ Arizona, \_\_\_\_ Foreign
- ☒ Corporation: \_\_\_\_ "S", \_\_\_\_ "C", \_\_\_\_ Non-profit
- ☐ Other, specify: \_\_\_\_\_

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

(A-10) Indicate the geographic market to be served:



Statewide. (Applicant adopts statewide map of Arizona provided with this application).



Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

N/A

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

N/A

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.



Yes



No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

☐ For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

☐ Yes

☒ No

If "No", continue to question (A-15).

☐ For Local Exchange Resellers, a \$25,000 bond will be recommended.

☐ Yes

☒ No

If "No", continue to question (A-15).

☐ For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

☐ Yes

☐ No

If "No", continue to question (A-15).

☐ For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

☐ Yes

☐ No

If "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

Refer to Tariff List pg. 27 (2.17)

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:



Yes



No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

Qwest Communication

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

ATTACHED

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

N/A

#### B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.



Yes



If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.

3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

N/A

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

**C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(C-1) Indicate if the Applicant has a resale agreement in operation,

☐ Yes

☐

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE  
TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

☐ Yes

☐

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

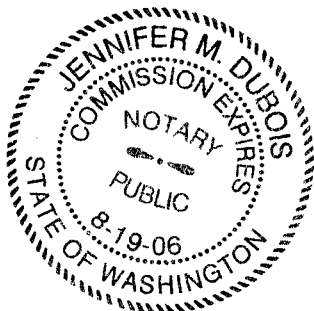
  
(Signature of Authorized Representative)

9/21/04  
(Date)

STAN EFFENDING  
(Print Name of Authorized Representative)

SEC/TREAS.  
(Title)

SUBSCRIBED AND SWORN to before me this 21<sup>ST</sup> day of SEPT, 2004



  
NOTARY PUBLIC

My Commission Expires

8-19-06

**(ATTACHMENT A)**  
**CERTIFICATE OF GOOD STANDING**  
**LIST OF OWNERS/OFFICERS**



UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

**CERTIFICATE OF EXISTENCE/AUTHORIZATION**

**OF**

**VCI COMPANY**

I FURTHER CERTIFY that the records on file in this office show that the above named Profit Corporation was formed under the laws of the State of WA and was issued a Certificate Of Incorporation in Washington on 11/24/2003.

I FURTHER CERTIFY that as of the date of this certificate, VCI COMPANY remains active and has complied with the filing requirements of this office.

Date: August 19, 2004

UBI: 602-344-481



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

Sam Reed, Secretary of State

**LIST OF OFFICERS/DIRECTORS FOR VCI COMPANY**

STANLEY JOHNSON/PRESIDENT

3875 STEILACOOM BLVD SW

SUITE A

LAKEWOOD WA 98499

(t) 253-973-2476

(f) 253-475-6328

Email: [stanj@vcicompany.com](mailto:stanj@vcicompany.com)

STAN EFFERDING/SECRETARY/TREASURER

3875 STEILACOOM BLVD SW

SUITE A

LAKEWOOD WA 98499

(t) 206-419-5948.

(f) 253-475-6328

Email: [vilaire@comcast.net](mailto:vilaire@comcast.net)

**(ATTACHMENT B)**  
**PROPOSED TARIFF PRICE LIST**

VCI Company  
Schedule of  
GENERAL REGULATIONS FOR EXCHANGE SERVICES  
Applying to the Local Exchange  
Services of this Company  
in the State of Arizona

CHECK SHEET

Issued: September 1, 2004  
Issued By:

Effective Date:

Stan Efferding  
Secretary/Treasurer  
VCI Company

Current sheets in the price list are as follows:

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	31	Original
2	Original	32	Original
3	Original	33	Original
4	Original	34	Original
5	Original	35	Original
6	Original	36	Original
7	Original	37	Original
8	Original	38	Original
9	Original	39	Original
10	Original		
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30	Original		

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Issued By:

Effective Date:

Stan Efferding  
Secretary/Treasurer  
VCI Company

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Issued: September 1, 2004  
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Stan Efferding  
Secretary/Treasurer  
VCI Company

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Issued: September 1, 2004  
Issued By:

Effective Date:

Stan Efferding  
Secretary/Treasurer  
VCI Company

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Issued: September 1, 2004  
Issued By:

Effective Date:

Stan Efferding  
Secretary/Treasurer  
VCI Company



## APPLICATION OF PRICE LIST

VCI Company (hereinafter "The Company") has been authorized by the Arizona Corporation Commission (Arizona CC) to provide competitive local exchange services.

This price list sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange services to residential and small business customers within the entire State of Arizona. The rates and rules contained herein are subject to change pursuant to the rules and regulations of the Arizona Corporate Commission.

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Issued: September 1, 2004  
Issued By:

Effective Date:

Stan Efferding  
Secretary/Treasurer  
VCI Company

EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS  
OF TECHNICAL TERMS USED IN THIS PRICE LIST

The following symbols shall be used as set out below to describe specific changes made to the original price list.

- C Indicates a changed listing, rule, or condition, which may affect rates or charges
- D Indicates discontinued material, including a listing, rate, rule or condition
- I Indicates an increase
- M Indicates that the material has been relocated to another part of price list schedules with no change in text, rate, rule or condition
- N Indicates new material including listing, rate, rule or condition
- R Indicates a reduction
- S Indicates reissued matter
- T Indicates a change in wording of text, but not a change in rate, rule or condition

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Issued: September 1, 2004  
Issued By:

Effective Date:

Stan Efferding  
Secretary/Treasurer  
VCI Company

CONTACT INFORMATION

VCI Company

3875 Steilacoom Blvd SW Suite A

Lakewood, WA 98499

Phone: 800-923-8375

Fax: 253-475-6328

Email: vilaire@comcast.net

Customer Contact –

For establishment of service, complaints and inquires regarding service and billing, or reporting or inquiring about network outages or service problems.

Customer Service: 1-800-923-8375

Maintenance: 1-800-923-8375

Commission Contact – 602-542-2237

For complaints, inquiries and matters concerning rates and price lists.

Matters concerning customer service:

Stan Efferding

Phone: 206-396-4307

Fax: 253-475-6328

Email: Vilaire@comcast.net

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Matters concerning tariffs and regulatory affairs:

Stan Efferding

Secretary/Treasurer

VCI Company

3875 Steilacoom Blvd SW Suite A

Lakewood WA 98499

Phone: 206-419-5948

Fax: 253-475-6328

Email: vilair@comcast.net

1.0 DEFINITIONS

The following words and terms when used in this price list shall have the meaning set out by this section.

Advance Payment: A payment required before the start of service. Advanced payment may consist of any required construction cost, all appropriate non-recurring charges, and an estimate of the first month's recurring charges. Advance Payments will be applied to the first bill rendered by Company following implementation of services.

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Applicant: A person who applies for telecommunications service. Includes persons seeking reconnection of service after Company-initiated termination.

Application: A request made in writing for telephone service.

Authorized User: A person, firm or corporation that is authorized by the Company to be connected to the service of the Customer or joint user.

Automatic Number Identification (ANI): The automatic transmission of a calling party's billing account telephone number to a local exchange Company, interexchange carrier or a third party subscriber. The primary purpose of ANI is for billing of toll calls.

Company or Name of Company: VCI Company

Customer or Subscriber: The person, firm or corporation that orders service and is responsible for the payment of charges for that service and for compliance with the Company's regulations related to that service.

Nonlisted Service: A directory listing service wherein a Customer is not listed in the published directory, but is listed in the directory assistance database.

## 1.0 DEFINITIONS (Cont'd)

Nonpublished Service: A directory listing service wherein a Customer is not listed in the published directory or in the directory assistance database.

Recurring Charges: The charges to a Customer for services, facilities and equipment, which recur monthly for the agreed upon duration of the service.

Residential Service: Telephone Service provided to customers when the actual or obvious use is for domestic purposes.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless the Customer refuses to accept service because it does not conform to the standards set forth

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in the Service Order or in this price list, in which case the Service Commencement Date is the date on which the Customer accepts service. The Company and the Customer may agree on a substitute Service Commencement Date.

Service Order: The written order for Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the obligations of the respective parties as set forth therein and pursuant to this price list; except that the duration of the service is calculated from the Service Commencement Date.

## 2.0 REGULATIONS

### 2.1 Undertaking of the Company

#### 2.1.1 Scope

- 2.1.1.2 The Company undertakes to furnish local exchange communications service pursuant to the terms of this price list.
- 2.1.1.2 The services offered herein may be used for any lawful purpose. There are no restrictions on sharing or resale of the Company's services. However, the Customer remains liable for all obligations under this price list even if such sharing or resale arrangements exist regardless of the Company's knowledge of these arrangements. If service is jointly ordered by more than one Customer, each is jointly and severally liable for all obligations.
- 2.1.1.3 The services the Company offers shall not be used for any unlawful purposes or for any use for which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

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2.1.1.4 Company services may be connected to the services or facilities of other communications carriers only when authorized by and in accordance with the terms and conditions of any price lists of such other communications carriers.

2.1.1.5 The services of the Company are furnished for the transmission of voice communications. Service is available twenty-four hours a day, seven days a week.

## 2.0 REGULATIONS (Cont'd)

### 2.2 Shortage of Equipment or Facilities

The furnishing of service under this price list is subject to the availability on a continuing basis of all facilities necessary to provide the service. Services will be provided using resale and leased services of the Incumbent Local Exchange Company

### 2.3 Selection of Transmission

The Company selects and/or arranges for the channels and/or service components and underlying network facilities used to provide service. The Company may modify or change the channels, service components and underlying Company facilities or the underlying carrier at any time subject to Part 68 of the FCC's Rules and Regulations and this price list.

### 2.4 Notification of Service-Affecting Activities

The Company will provide the Customer with reasonable notification of service-affecting activities that may occur during the normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventive maintenance.

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Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service-affecting activities. The Company will work cooperatively with the Customer to determine reasonable notification requirements. Notification to the Customer may not be possible with some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage.

## 2.5 Provision of Equipment and Facilities

- 2.5.1 The Company shall make a reasonable effort to provide service to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this price list.

## 2.0 REGULATIONS (Cont'd)

### 2.6 Terms and Conditions

- 2.6.1 Service is provided on a minimum term basis of at least one month, using 24-hours per day for each day of the month. For purposes of this price list, a month is considered to have thirty days. All calculations of dates set forth in this price list shall be based on calendar days, unless otherwise specified herein.
- 2.6.2 This price list shall be interpreted and governed by the laws of the State of Arizona and the Rules issued by the Arizona Corporation Commission.

### 2.7 Liability

- A. The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in this Tariff. The extension of such allowances for

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interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

## 2.0 REGULATIONS (Cont'd)

### 2.7 Liability (cont'd)

- B. The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.
- C. The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for or with the services the Company offers.
- D. The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or

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malfunction of Customer-provided equipment or facilities.

- E. The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section as a condition precedent to such installations.

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## 2.0 REGULATIONS (Cont'd)

### 2.7 Liability (cont'd)

- F. The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.
- G. The Company is not liable for any claims for loss or damages involving:
  - 1. Breach in the privacy or security of communications transmitted over the Company's facilities;
  - 2. Injury to property or injury or death to persons, including claims for payments made under Worker's Compensation law or under any plan for employee disability or death benefits arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected or to be connected to the Company's facilities;
  - 3. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff;
  - 4. Any act or omission in connection with the provision of 911, E911 or similar services;
  - 5. Any noncompletion of calls due to network busy conditions.

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2.0 REGULATIONS (Cont'd)

2.7 Liability (cont'd)

- H. The Company shall be indemnified, defended held harmless by the Customer against any claim, loss, or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.
1. The Company shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or service provided by the Company.

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## 2.0 REGULATIONS (Cont'd)

### 2.7 Liability (cont'd)

#### H. (Cont'd)

2. The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.
3. The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or non pre-emptability as may be provided by the other entities.
4. Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.

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2.0 REGULATIONS (Cont'd)

2.7 Liability (cont'd)

I. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

J. The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid Company by Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered.

K. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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## 2.0 REGULATIONS (Cont'd)

### 2.8 Exculpatory Clause

THE INCLUDED EXCULPATORY LANGUAGE DOES NOT CONSTITUTE A DETERMINATION BY THE COMMISSION THAT A LIMITATION OF LIABILITY IMPOSED BY THE COMPANY SHOULD BE UPHELD IN A COURT OF LAW. ACCEPTANCE FOR FILING BY THE COMMISSION RECOGNIZES THAT IT IS A COURT'S RESPONSIBILITY TO ADJUDICATE NEGLIGENCE AND CONSEQUENTIAL DAMAGE CLAIMS. IT IS ALSO THE COURT'S RESPONSIBILITY TO DETERMINE THE VALIDITY OF THE EXCULPATORY CLAUSE.

### 2.9 Conflicts Between Price List and Commission Rules

If this Price List contains provisions that deny or restrict a Customer's rights otherwise protected by Commission rules, Commission rules supersede any conflicting tariff or price list provisions that deny or restrict any of those rights, unless otherwise ordered by the Commission, court order, or statute.

### 2.10 Allowances for Interruptions in Service

A credit allowance will be given for interruptions of service, subject to the provisions of this section.

### 2.11 Credit for Service Interruptions

A credit allowance will be made when an interruption in service occurs. An interruption in service is considered to exist when the local service quality deteriorates to such an extent that the customer cannot make local calls or cannot receive local calls or cannot use the service for voice grade communications because of cross talk, static or other transmission problem.

An interruption period begins when the Customer reports a circuit, service or facility to be interrupted and releases it for testing.

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## 2.0 REGULATIONS (Cont'd)

### 2.11 Credit for Service Interruptions (Cont'd)

2.11.1 The Company must restore service: within sixteen (16) hours after the report of the outage if the customer notifies the telephone company that the service outage creates an emergency; or

2.11.2 within 24 hours after the report of the outage if no emergency exists.

2.11.3 Outages reported between noon on Saturday and 6:00 p.m. on the following Sunday must be restored within forty-eight (48) hours or by 6:00 p.m. on the following Monday, whichever is sooner.

2.11.3 If the Company does not restore service within the times required by this paragraph, the Company will credit the customer's account for an amount equal to the monthly rate for one (1) month of basic local exchange service.

### 2.12 Limitations on Allowances

No credit allowance will be made for:

2.12.1 interruptions due to the negligence of the Customer, or noncompliance with, or acts of omission regarding the provisions of this price list by the Customer, authorized user or joint user;

2.12.2 interruption of service due to circumstances or causes beyond the control of the Company and affecting large groups of customers.

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## 2.0 REGULATIONS (Cont'd)

### 2.13 Obligations of the Customer

2.13.1 The Customer shall provide at no charge, as specified by the Company, any personnel, equipment, space, power, heating and air conditioning needed to operate, and maintain a proper operating environment for the Company's facilities and equipment installed on the Customer's premises

2.13.2 Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth herein for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.

2.13.3 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

### 2.14 Prohibited Uses

The Customer shall not use or allow the use of the Company's facilities or equipment installed at the Customer's premises for any purpose other than that for which the Company provides it, without the prior written consent of the Company.

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## 2.0 REGULATIONS (Cont'd)

### 2.14 Prohibited Uses (Cont'd)

#### 2.14.1 Abuse

The abuse of Company Services is prohibited. Abuse includes, but is not limited to, the following activities:

(a) Using service to make calls that might reasonably be expected to frighten, torment, or harass another.

(b) Using service in such a way that it interferes unreasonably with the use of Company services by others.

#### 2.14.2 Fraudulent Use

The fraudulent use or the intended or attempted fraudulent use of service is prohibited and can result in the discontinuance of services as set out by this price list. Fraudulent use consists of using or attempting to use service with the intent to avoid the payment, either in whole or in part, of the price listed charges for the service including but not limited to:

(a) rearranging, tampering with, or making connections not authorized by this price list to any network components used to furnish service; or

(b) using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices, or electronic devices.

### 2.15 Payments

#### 2.15.1 Customer Obligations

2.15.1.1 The Customer shall pay outstanding charges in full within 15 days of the invoice date. Charges normally will be invoiced in arrears], with monthly recurring charges invoiced on or about the first of the month for which the charges apply. Amounts not paid within 15 days after the date of the invoice are considered delinquent.

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2.0 REGULATIONS (cont'd)

2.15 Payments (Cont'd)

2.15.1 Customer Obligations (Cont'd)

2.15.1.2 The Customer shall pay all charges for use of the service by any persons whether or not authorized by the Customer, except in those instances where it has been determined that the Customer's present and former employees, agents and authorized users were not responsible for calls billed to the Customer via third party billing and the Company did not verify that the charges for the call would be accepted. The Customer is not responsible for unauthorized use of service to the extent such use is proximately caused by the Company's willful or negligent act.

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2.0 REGULATIONS (cont'd)

2.15 Payments (Cont'd)

2.15.2 Disputed Bills

2.15.2.1 Any Customer who disputes a portion of a bill rendered for Company services shall pay the undisputed portion of the bill and notify the Company that such unpaid amount is in dispute within thirty (30) days of receipt of the bill. If such notice is not received by the Company within thirty (30) days as indicated above, the Company shall consider the bill statement to be due and payable in full by the Customer. Payment of the amount due by the Customer does not constitute a waiver of the Customer's rights to challenge any billing amount due or paid to the Company.

2.15.2.2 In the event a Customer and the Company cannot resolve a billing dispute to their mutual satisfaction, the Customer may contact the Arizona Corporation Commission and proceed in accordance with the Arizona PUC's Rules. The address and telephone numbers for the Arizona PUC are:

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Arizona Corporation Commission  
1300 West Washington Street 334-0300  
Phoenix AZ 850071  
(602) 542-2237

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## 2.0 REGULATIONS (cont'd)

### 2.15 Payments (cont'd)

#### 2.15.3 Payment Arrangements

2.15.3.1 When a Customer cannot pay a bill in full, the Company may continue to serve the Customer if the Customer and the Company agree on a reasonable portion of the outstanding bill to be paid immediately, and the manner in which the balance of the outstanding bill will be paid.

2.15.3.2 In deciding on the reasonableness of a particular agreement, the Company will take into account the Customer's ability to pay, the size of the unpaid balance, the Customer's payment history and length of service, and the amount of time and reasons why the debt is outstanding.

2.15.3.3 Payments are to be applied to the undisputed balance owed by the Customer. A Customer may designate how a payment insufficient to pay the total balance due shall be applied. If applicable, and in the absence of instructions from the Customer, a partial payment shall be allocated first to local exchange services. Such payments shall be applied first to the oldest undisputed balances.

2.15.3.5 If a Customer fails to make the payment agreed upon by the date that it is due, the Company may, but is not obligated to, enter into a second payment arrangement.

2.15.3.7 A Customer's failure to pay for undisputed MTS charges billed by the Company may result in loss of 0+, 0- and 1+ dialing access to MTS services until such time as the customer pays the undisputed charges and applicable reconnection charges, if any.

2.15.3.8 Customer failure to pay undisputed charges for other services may result in discontinuance of those services.

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## 2.0 REGULATIONS (cont'd)

### 2.16 Taxes, Charges, Fees

In addition to the rates and charges described in this price list, the Customer may be responsible for payment of taxes, charges or fees ordered by the Arizona Corporation Commission, the Arizona State Legislature, or local and county governments. When the Company is authorized to collect such taxes, charges or fees from the Customer, these taxes, charges and fees will be itemized separately on the Customer's bill.

### 2.17 Deposits

2.17.1 The Company will not require advance deposits.

### 2.18 Refusal or Termination of Services

If the Company intends to deny an available service to an applicant, the Company will provide the applicant with a written explanation of its refusal to serve. The written explanation shall include:

- a) the reasons for denial of the service;
- b) actions the applicant may take in order to receive the denied service;  
and
- c) a statement that the Customer may file an informal or formal complaint concerning denial of the service with the Company or with the Arizona Corporation Commission.

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## 2.0 REGULATIONS (cont'd)

### 2.18 Refusal or Termination of Services (cont'd)

#### 2.18.1 Grounds for Termination with Written Prior Notice

Except as otherwise specified in this price list or Arizona Corporation Commission rules, the Company may, upon reasonable written notice to the Customer, discontinue services for any of the following reasons:

2.18.1.1 for nonpayment of any undisputed amounts owing to the Company;

2.18.2.2 for services provided to premises that have been vacated by the Customer;

2.18.1.3 for tampering with the Company's property;

2.18.2.4 for violation of rules, service agreements, or filed price list;

2.18.1.5 for use of Customer equipment which adversely affects the Company's property, facilities, or service to its other Customers, or upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer, or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair; or

2.18.1.6 for fraudulent obtaining or use of service, including, but not limited to:

(a) providing false information to carrier the Company regarding the Customer's identity, address, creditworthiness, or current or planned use of common communications;

(b) using or attempting to use service by rearranging, tampering with, or making connection to the Company's service where not authorized by this price list;

(c) using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or

(d) any other fraudulent means or device.

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## 2.0 REGULATIONS (cont'd)

### 2.18 Refusal or Termination of Services (cont'd)

#### 2.18.3 Without Written Notice to the Customer

The Company may deny or discontinue the furnishing of any and/or all service(s) to a Customer immediately and without prior notice to the Customer and without the Customer's permission for one or more of the following reasons:

2.18.3.1 Dangerous Condition. A condition immediately dangerous or hazardous to the life, physical safety, or property exists, or it is necessary to prevent a violation of federal, state or local safety or health codes.

2.18.3.2 Ordered to Terminate Service. The Company is ordered to terminate service by any court, the Arizona Corporation Commission, or any other duly authorized public authority.

2.18.3.3 Services Obtained Illegally. The services(s) was (were) obtained, diverted or used without the authorization or knowledge of the Company.

2.18.3.4 Customer Unable to be Contacted. The Company has tried diligently to provide reasonable notice to the Customer, but has been unsuccessful in its attempt to contact the Customer.

2.18.3.5 Misrepresentation of Identity. The Customer has misrepresented the Customer's identity for purposes of obtaining telephone service and either does not have or has an inadequate security deposit on file with the Company.

2.18.3.6 for any governmental prohibition, or required alteration of the services provided, or any violation of any applicable law or regulation, or unlawful use of service or use of service for unlawful purposes, the Company may immediately discontinue or suspend service.

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2.0 REGULATIONS (cont'd)

—2.18 Refusal or Termination of Services (cont'd)

2.18.4 Notice of Disconnection

2.18.4.1 Seven-Day Notice

VCI Company will mail to the Customer written notice of termination at least two (2) calendar days before the proposed date of termination. The written notice will contain the information required by Arizona Rule R14-2-509.

2.18.4.2 Twenty-Four-Hour Notice

At least twenty-four (48) hours before actual termination, the Company will diligently attempt to contact the Customer affected to apprise the Customer of the proposed action and the steps to take to avoid or delay termination.

2.0 REGULATIONS (cont'd)

2.19 Restoration of Service

2.19.1 A reconnection charge shall be imposed on any Customer whose service has been discontinued pursuant to the provisions of Section 2.19 of this price list. The Company reserves the right to refuse to restore service until all amounts due have been paid.

2.19.2 Should the Customer request that service be restored during a period other than regular working hours, such as evenings or weekends, the Customer may be required to pay an after-hour charge for service reconnection.

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## 2.20 Assignment

The Company may, without obtaining any further consent from the Customer, assign any of its rights, privileges or obligations under this price list to any subsidiary, parent, or affiliate of the Company; pursuant to any sale or transfer of substantially all the business of the Company; or pursuant to any financing, merger or reorganization of the Company. The Customer may, upon prior written consent of the Company, which consent shall not be unreasonably withheld, assign its rights, privileges or obligations under this price list to any subsidiary, parent, or affiliate of the Customer; pursuant to any sale or transfer of substantially all the business of the Customer; or pursuant to any financing, merger or reorganization of the Customer.

## 2.21 Promotions

The Company may provide promotional offerings from time to time. The Company will notify the Arizona Corporation Commission ten (10) days in advance of the rates, terms & conditions of any such promotions.

## 2.22 E911

The Company will provide necessary Customer information to the incumbent local exchange carrier for appropriate routing of E911 calls. The Company's switches will be equipped with E911 trunks and all E911 traffic will be switched by the Company to the incumbent local exchange carrier for routing.

# 2.0 REGULATIONS (cont'd)

## 2.23 Public Notice

The Company shall give public notice of all proposed changes in rates. Public notice must be reasonably designed to call the attention of Customers who are affected by the changes to the proposed changes in rates. Legal advertisements alone will not be considered adequate public notice. Individual notice to all Customers affected will always constitute public notice

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### 3.0 LOCAL EXCHANGE SERVICES

#### 3.1 General

Local Exchange Services provides the Customer with connection to the public switched telecommunications network. In addition, Local Exchange Service provides the Customer with a unique telephone number address on the public switched telecommunications network. Each Local Exchange Service enables the Customer to:

- (a) receive calls from other stations on the public switched telecommunications network;
- (b) access other services offered by the Company as set forth in this price list;
- (c) access certain interstate and international calling services provided by the Company;
- (d) access the Company's operators and business offices for service related assistance;
- (e) access emergency services by dialing 0- or 9-1-1; and
- (f) access services provided by other common carriers which purchase the Company's Switched Access Services as provided under the Company's Federal and State price lists or price list, or which maintain other types of traffic exchange arrangements with the Company.

### 3.0 LOCAL EXCHANGE SERVICES

#### 3.2 Service Descriptions

- a. The Company's local telephone service provides a Customer with the ability to connect to an ILEC's switching network which enables the Customer to:
  - Place or receive calls to or from any calling station or telephone number in the local calling area
  - Receive calls from any calling station or telephone number,

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- except for reverse billed toll calls
  - Access 911 Emergency Service (E911 where available from the ILEC)
  - Place calls to 800/888/877 or other toll free telephone numbers
- b. Timing of calls begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. The company does not bill for incomplete calls.
- Services are provided throughout the State of Arizona in the same service areas of ILECs with whom Company has Resale and/or Interconnection Agreements in effect

#### Standard Residence Line

The Standard Residence Line provides a Customer with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Standard Residence Lines are provided for the connection of Customer-provided wiring and single station sets or facsimile machines.

### 3.0 LOCAL EXCHANGE SERVICES (Cont'd)

#### 3.2 Service Descriptions (Cont'd)

##### 3.2.1 Arizona Telephone Assistance Program (ATAP)

ATAP consists of two programs, Lifeline and Linkup, that were developed to provide discounted rates for telephone service to low income customers, thus promoting universal service. The programs are jointly sponsored (federal and state) telephone assistance programs designed to maximize federal contributions

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to Arizona's low-income customers.

The programs provide reductions in monthly rates for single line telephone service and/or reductions in one-time costs for installation of telephone service for qualifying customers. The program is administered by Arizona Department of Economic Security.

3.2.1.1 Eligibility - To be eligible for ATAP, the participant must:

- (a) Apply through the Department of Economic Security
- (b) Be head of household,
- (c) Must be at or below 150% of the federal poverty guidelines and have a verified medical need.

3.2.1.2 Residents of Tribal Lands may be eligible for additional federal assistance if the individual participates in one of the following federal assistance programs:

- (a) Bureau of Indian Affairs general assistance;
- (b) Tribally administered Temporary Assistance for Needy Families;
- (c) Head Start (only those meeting its income qualifying standard);
- (d) National School Lunch Program's free lunch program.

3.2.8.2.1 Eligibility and qualification determinations will be performed according to the telecommunication provider's federal tariff and/or 47 C.F.R. Part 54.

3.2.8.2.2 Each eligible participating resident of Tribal Lands must provide to its local service provider a signed document certifying under penalty of perjury that the customer receives benefits from at least one of the programs mentioned.

3.0 LOCAL EXCHANGE SERVICES (Cont'd)

3.2.1 Arizona Telecommunications Service Assistance Program (ATAP)  
(Cont'd)

3.2.8.3 Lifeline Discounts – applied to tariffed monthly recurring rates and charges for qualifying residential customers. Monthly discount (not to exceed the rate charged for the grade of subscribed residential basic local

Additional federal discounts may apply:

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Tier 1 – Monthly service discount equal to the subscriber line charge \$3.50

Tier 2 – Monthly service discount for customers of eligible telecommunications carriers who have received non-federal regulatory approvals \$1.75

Tier 3 – Monthly service discount equal to one half of the amount of any state support up to a maximum of \$1.75

Tier 4 – Eligible residents of Tribal Lands may be eligible for discounts of up to \$25. This discount may not bring the local residential rate to below \$1.00 per month \$25.00

3.2.8.4 Linkup Discounts – applied to installation of new service, including line extensions, construction of facilities, etc., but shall not apply to customer premises facilities or equipment.

A service installation cost reduction of 50% up to \$30.00

For an eligible resident of Tribal Lands, an additional reduction of up to \$70 may be applied to cover 100% of the charges between \$60 and \$130 assessed for initiating telephone service. \$70.00

#### 3.2.1.5 Rules

3.2.8.5.1 Applies to Telecommunication service at the principal residence of the eligible subscriber/head of household.

3.2.8.5.2 A household is either an individual living alone or a group of individuals living together in common living quarters and facilities under such domestic arrangements and circumstances as to create a single establishment.

### 3.0 LOCAL EXCHANGE SERVICES (cont'd)

#### 3.2 Service Descriptions (cont'd)

##### 3.2.1 Arizona Telecommunications Service Assistance Program (ATAP) (cont'd)

#### 3.2.1.5 Rules

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- A. The eligible participant can receive assistance with telephone service installation costs only once at a residential address. However, if the participant moves to a new address, meets the eligibility criteria and is in good standing with the telephone service provider, there is no limit to the number of times the participant may receive assistance with telephone costs.
- B. Nonrecurring charges to change to or from this program because of change in eligibility status will be waived.
- C. Lifeline service is not available for foreign exchange service. Only one line per household will qualify for ATAP discounts.
- D. Customers participating in either of these assistance programs must notify the company of any changes that would affect qualification. Verification of eligibility will be established by the Department of Economic Security and will be reviewed annually.
- E. When the customer is no longer eligible, the discount will be discontinued and regular tariff rates and charges will apply.

3.2.1.6 Recovery

The cost of providing assistance through ATAP shall be recovered by imposing a monthly surcharge determined by the Corporation Commission and assessed on each line used for providing residential and business access. Participating ATAP customers are exempted from this surcharge.

\$.05/line/month

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3.0 LOCAL EXCHANGE SERVICES (cont'd)

3.3 Service Descriptions (cont'd)

3.2.2 Arizona USF Surcharges

A surcharge is assessed on all access lines to contribute towards funding for an Arizona Universal Service Fund. The Surcharge Rate is established by the Commission and will be assessed to each business and residential line.

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4.0 RATES AND CHARGESOptional Features:

Set Up Charge	\$ 10.00
Call Waiting	\$ 5.00
Call Forwarding	\$ 5.00
Three-Way Calling	\$ 5.00
Caller ID	\$ 10.00
Non-Published Service	\$ 5.00
Package (All above features)	\$ 29.00

Note: The Optional Feature Set Up Charge activates any one or all of these features. If ordered with initial service, no optional feature set up charge applies.

Miscellaneous Charges	
Change Telephone Number	\$ 20.00
Service At New Address	\$ 20.00
Reconnection Fee	\$ 20.00
Returned Check Charge	\$ 15.00
Late Charge	\$ 10.00
NSF Check Charge	\$ 25.00
Rush Order Charge	\$ 20.00
Toll Blocking Activation	\$ 10.00
Toll Blocking Monthly Charge	\$ 5.00

<u>Description</u>	<u>Monthly Rate</u>	<u>Nonrecurring Charge</u>
<u>Basic Service:</u>		
Installation of Local Line		\$120.00
Conversion of Local Line		\$120.00
Basic Monthly Service	\$ 25.00	

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**ATTACHMENT C**

**NOTICE OF APPLICATION FOR A CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO PROVIDE  
COMPETITIVE RESOLD LOCAL EXCHANGE  
TELECOMMUNICATIONS SERVICE BY VCI COMPANY**

**NOTICE OF APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE COMPETITIVE RESOLD LOCAL EXCHANGE  
TELECOMMUNICATIONS SERVICES BY VCI COMPANY**

VCI Company ("VCI" or Applicant) has filed with the Arizona Corporation Commission ("ACC") an application for a Certificate of Convenience and Necessity to provide competitive resold local exchange telecommunications services in the State of Arizona. Applicant will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission.

A.R.S. § 40-282 provides that the Commission may act on an application for a Certificate to provide resold telecommunications services without hearing, or with hearing, if one is requested by any party. Applicant or any other party must request a hearing within twenty (20) days of the date of this notice, or the Commission will rule on the application without a hearing.

The application report of the Commission's Utilities Staff, and any written exceptions to the Staff report prepared by the applicant are available for inspection during regular business hours at the offices of the Commission located at 1200 West Washington Street, Phoenix, Arizona, 85007, and at the Applicant, 3875 Steilacoom Blvd Southwest, Suite A, Lakewood, Washington, 98499.

Under appropriate circumstances, interested parties may intervene in the proceedings, and participate as a party. Intervention shall be in accordance with the A.A.C. R 14-3-105, except that all motions to intervene must be filed on or within twenty (20) days of the date of this notice. You may have the right to intervene in the proceedings, or you may make a statement for the record. If you have any comments, mail them to:

The Arizona Corporation Commission  
Attention Docket Control  
1200 West Washington Street  
Phoenix, Arizona 85007

All Comments should be received within twenty (20) days of the date of this notice.

If you have any questions about this application or have any objections to its approval, you may contact Consumer Services Section of the Commission at 1200 West Street, Phoenix, Arizona 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request reasonable accommodations such as sign language interpreter, as well as request this document in an alternative format, by contacting Shelley Hood, ADA Coordinator, voice phone number (602) 542-3931, E-Mail [shood@acc.state.az.us](mailto:shood@acc.state.az.us). Request should be made as early as possible to allow time to arrange the accommodation.

**Attachment D**

**Financial Sheet**

**VCI Company  
Balance Sheet  
[August 23, 2004]**

**Assets**

**Current Assets:**

Cash		\$712,387	
Accounts Receivable	\$1,187,000		
Less: Reserve for Bad Debts	<u>\$677,120</u>	\$509,880	
Merchandise Inventory		\$0	
Prepaid Expenses		\$0	
Notes Receivable		<u>\$60,000</u>	
<b>Total Current Assets</b>			<b>\$1,282,267</b>

**Fixed Assets:**

Vehicles	\$132,000		
Less: Accumulated Depreciation	<u>\$23,200</u>	\$108,800	
Furniture and Fixtures	\$10,500		
Less: Accumulated Depreciation	<u>\$2,100</u>	\$8,400	
Equipment	\$120,000		
Less: Accumulated Depreciation	<u>\$10,210</u>	\$109,790	
Buildings	\$260,000		
Less: Accumulated Depreciation	<u>\$26,750</u>	\$233,250	
Land		<u>\$0</u>	
<b>Total Fixed Assets</b>			<b>\$460,240</b>

**Other Assets:**

Goodwill		<u>\$0</u>	
<b>Total Other Assets</b>			<b>\$0</b>

<b>Total Assets</b>			<b><u>\$1,742,507</u></b>
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**Liabilities and Capital**

**Current Liabilities:**

Accounts Payable	\$289,800		
Sales Taxes Payable	\$25,200		
Payroll Taxes Payable	\$5,500		
Accrued Wages Payable	\$15,000		
Unearned Revenues	\$0		
Tax Escrow	\$200,000		
Short-Term Notes Payable	\$50,000		
Short-Term Bank Loan Payable	<u>\$0</u>		
<b>Total Current Liabilities</b>			<b>\$585,500</b>

**Long-Term Liabilities:**

Long-Term Notes Payable	\$0		
Mortgage Payable	<u>\$1,800</u>		
<b>Total Long-Term Liabilities</b>			<b>\$1,800</b>

<b>Total Liabilities</b>			<b>\$587,300</b>
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**Capital:**

Owner's Equity	\$225,000		
Net Profit	<u>\$930,207</u>		
<b>Total Capital</b>			<b>\$1,155,207</b>

<b>Total Liabilities and Capital</b>			<b><u>\$1,742,507</u></b>
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**VCI Company**  
**Consolidated Income Statement**  
**September 20,2004**

<b>YEAR</b>	<b>2004</b>
Net Sales	\$4,383,763
Cost of Sales	\$1,403,689
<b>Gross Margin</b>	<b>\$2,980,074</b>
<b>Expense:</b>	
Wages	\$493,972
Interest Expense	\$5,144
Postage & Delivery	\$67,432
Professional Fees	\$64,245
Repairs	\$20,906
Utilities	\$17,298
Equipment	\$225,000
Office Equipment	\$357,310
Advertising	\$242,500
Auto	\$63,926
Payroll Expense	\$186,510
Entertainment & Promotion	\$32,581
Suspense	\$5
Interest	(\$339)
Miscellaneous	\$47,251
Depreciation	\$225,125
Total Expense	\$2,048,867
<b>Net Profit</b>	<b>\$931,207</b>

**Exhibit E**

**Management Resources**

**Stan Efferding**  
**7304 Zircon Dr SW**  
**Lakewood, Wa. 98498**  
**206-419-5948**  
**Fax 253-475-6328**

**Professional Resume**

**12/2002 - Current: VCI Company (Telecommunications Company)**

Residential phone service, licensed in 5 states.

**2/2004 – Current: Heather Meadows Apartments/Owner**

Multifamily Investment

**9/2002 - 10/2003: Vilaire Apartments/Owner**

Multifamily investment

**8/2000 - 12/2002: Vice President, Tel West Communications**

25,000 business and residential customers serviced in 20 state region.

**1998 – 2000: Simpson Property Group Limited Partnership/SIMCOM (Simpson Communications), Regional Manager**

1206 unit portfolio. Facilities based telephone and cable operations throughout.

**1991 – 1998: Mulqueeney Company, Property Manager**

1996-1998 – Property Manager, Chase Properties, 536 units. Facilities based telephone and cable operations managed in partnership with telephones plus/cable plus.

1995 – Project Manager, \$13.5M, 200 unit Chase Gardens apartment development.

1991-1995 – Property Manager, Chase Village, 336 units

**1985 – 1990: University of Oregon Bachelor of Science**



Stanley Johnson  
7304 Zircon Dr. SW  
Lakewood, WA 98498  
(253) 973-2476 Cell  
StanJ@vilaire.com

A SAVVY, RESULTS-  
ORIENTED BUSINESS  
PROFESSIONAL!

**Profile:**

Talented negotiator and team leader with contributions in problem solving, decision making and implementing new systems. Experienced in business analysis, budgeting and P&L responsibility. Recognized as a hands-on, proactive troubleshooter who can rapidly identify business problems and provide solutions, creative, very observant of details and their possible consequence/application.

**Position & Employers:**

2002 - Co-President, *VCI Company*  
2001 - 2002 Financial Business Specialist, *Bayer Health Care*  
1999 - 2001 Coordinator, *International Business Machine (IBM)*  
1997 - 1999 Regional Finance Manager, *AmeriCorp*  
1995 - 1997 Financial Analyst, *Wells Fargo Bank*

**Education:**

MBA, *Eastern Michigan University, MI (1998)*  
Graduated Cum laude

B.S., *Norfolk State University, VA (1995)*  
Emphasis in Finance  
G. P. A in Major 3.52

**Experience:**

VCI Company, Co-President

- Residential phone service, licensed in 5 states

Bayer HealthCare, Financial Business Specialist

- Design, implement and managed a \$2.1 Billion Sales budget process made up of 20 different currencies.
- Performed detail product profitable analysis, which leads to a 7% increase in company's overall performance.
- Performed competitive benchmarks Analysis that leads to a 27% increase in market Share.
- Prepared and presented Monthly, Quarterly and yearly finance performance measurements to senior level management.

#### IBM, Coordinator

- Designed, Implemented and managed a forecast process that helped senior level management increase profitable 250 Million.
- Developed and managed a pricing and marketing strategy the increased product market share by 50% in 6 months.
- Prepared and presented Monthly Performance measurement to Senior Level management.
- Performed detail analysis on companies for future business acquisitions.
- Strategize with senior level management in regards to current and future sale growth.

#### Wells Fargo Bank, Financial Analysts

- Performed financial statement analysis on small companies for future investment opportunity.
- Prepared Quarterly performance Measurement for middle level management.
- Prepared/Analyzed Income – Related statements, balance sheet and earnings schedules for 100 million corporation and subsidiaries.

#### **Career Achievements:**

- Cited for “exemplary” performance in 1996 Performance review
- Analyzed capital markets issues including interest rate risk, divestitures and other restructurings.
- Oversaw all marketing and customer service activities: led region to 12% increase in profitability over previous year.
- 25% revenue and 15% market share increase in 2 years